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Task: 2611  
cc: Leslie

Enefit

August 12, 2011

Mr. John Baza  
Director  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

RECEIVED

AUG 15 2011

DIV. OF OIL, GAS & MINING

**Subject: OSEC's Notice of Intention to Commence Large Mining Operations, White River Mine, Uintah County, Utah**

**BLM Oil Shale RD&D Lease UTU-84087**

Dear Mr. Baza,

As you are aware, Enefit acquired 100% of Oil Shale Exploration Company (OSEC) effective March 30, 2011 and changed the company name to Enefit American Oil (EAO). Enefit American Oil now holds the BLM oil shale RD&D lease at the White River Mine in Uintah County, Utah.

When OSEC was awarded the RD&D lease in 2007, the company embarked on a three-phase research program. OSEC completed Phase 1 by shipping a bulk sample of oil shale from the mine stockpile to Calgary, Canada for testing in an Alberta Taciuk Process (ATP) retort.

Subsequently, OSEC began permitting work for its Phase 2 research effort which was to include bringing the ATP pilot plant to the White River Mine, reopening the mine, and running the pilot plant for up to one year with fresh oil shale removed from the underground mine workings. This program would have required the approval of a NOI to Commence Large Mining Operations (MR-LMO) from DOGM. OSEC submitted a Phase 2 Plan of Development to both the BLM and the Utah Division of Oil, Gas & Mining and the parties held a number of meetings to discuss the Plan, after which modifications were made by OSEC. OSEC's latest revision of the POD was submitted to BLM and DOGM in August 2008 and the BLM replied with comments in a letter dated March 26, 2009.

Subsequently, OSEC maintained the RD&D lease but tabled the Phase 2 program while it completed a commercial feasibility study in association with Petrobras and Mitsui. This study involved extensive core drilling, geologic mapping, bench scale testing and preliminary engineering and cost studies. The work was completed in late 2010.

Now that EAO is owner and manager of the Utah oil shale project, including the RD&D lease, we are reevaluating our entire approach to research and development of our Utah properties, particularly the BLM RD&D lease. Although our approach still entails underground mining and surface retorting with a horizontal kiln technology, we intend to implement the proprietary

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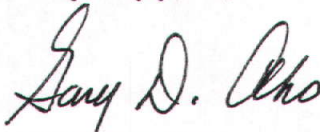
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Enefit technology to the Utah resource. The Enefit technology is more advanced than the ATP technology with a proven commercial plant operating in Estonia for more than 30 years and a new generation plant under construction which will be completed in 2012. Our approach to the RD&D will be different from what OSEC had in mind when it submitted its initial three-phase research program. In the near future EAO will submit its own research plan to the BLM.

**In order to clear the record we hereby notify DOGM that we are withdrawing the proposed Phase 2 Plan of Development that had been submitted by OSEC in 2008, since it is no longer pertinent to our program. We respectfully request that the file for the OSEC NOI for the mine plan (MR-LMO) be closed out. We appreciate the effort DOGM put forth on this NOI and the cooperation of DOGM staff members that worked with OSEC and BLM in this regard. If you have any questions or concerns about this action, please contact me at 970-618-0294.**

Very truly yours,



Gary D. Aho  
VP Operations  
Enefit American Oil

XC: Dana Dean, Associate Director-Mining  
Paul Baker, Minerals Regulatory Program ✓